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Lloyd George, David

Lloyd George and labour's future

London

[1919?]

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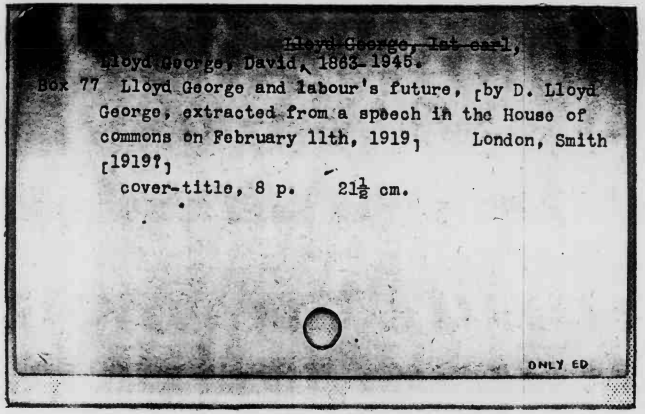
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LLOYD GEORGE

AND

LABOUR'S FUTURE

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Extracted from a Speech by the Prime Minister in the House of Commons on February 11th, 1919.

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LABOUR'S FUTURE.

BY THE RT. HON. D. LLOYD GEORGE.

I CANNOT conceive any question which is more important for the House of Commons to take cognisance of than the question of Labour unrest. If this unrest continues, the consequences will be grave to the trade and industry of this country, and, if certain designs which some men harbour in this country had even a remote prospect of success, I could not think of a more serious matter for the House immediately to concern itself with.

There is no doubt of the unrest. It is not so easy to divine the causes. Some of the causes are legitimate, some are not. Let us consider those which are legitimate. In some respects the economic conditions of the country during the War have been better than during our lifetime. Wages have been higher; there has been no unemployment; there has been no distress; there has been no poverty comparable to that which existed before the War. Still, there are special war conditions which have conduced to the unrest. Let us take them first. There is the strain of the last four and a half years. Nerves are rattled. Men have been working on the stretch for four and a half years, amid the tensest excitement and all kinds of anxieties, working time and working overtime. Four and a half years of that is enough to produce a condition of things where men are not in their normal frame of mind when they come to consider any problem.

What is the next? It is a genuine fear of unemployment. It is only workmen who have passed through times of unemployment who know the terrors of it and what it means to their households. What is the other cause? Social conditions, against which there has been growing dissatisfaction, discontent, and revolt in the conscience and heart of the community, and the better educated the working classes become the deeper is their resentment at these social conditions—many of them involving human degradation. There is bad housing; there is overcrowding in many districts under conditions in which no decent and wise agriculturist would have herded his cattle. All this has been aggravated during the War. You have had workmen crowding into areas, because there were special munition works there, already insufficiently supplied with houses, and no building possible.

WAR RESTRICTIONS.

There is no doubt at all that even restrictions on the people's luxuries and amusements have been causes which have contributed to the unrest. In so far as there are legitimate causes of unrest, it is the business of the Government and the House of

Commons to do its best to remove them, so as to give no justification for unrest, and so as not to give material for those who are exploiting that unrest. In individual cases we are dealing with them. In individual trades there is much more work being done in regard to hours of work and wages than perhaps the public knows of. In trades affecting three millions of the working people of this country agreements have already been arrived at in regard to hours of labour. In trades affecting another two millions negotiations are still pending.

An Investigation into Causes.

But there is a good deal to be said in favour of a more general investigation into the whole causes of industrial unrest. The Government will welcome such an investigation, and will be glad to agree upon any method of investigation into the general causes which will be satisfactory to employed, to employers, and to the community at large. They have certain suggestions which they will discuss on the proper occasion. Take the question of social conditions. This Parliament is pledged up to the eyes to deal with them. There is not a member returned to this House who is not pledged to deal with these causes. My right hon. friend the member for Derby (Mr. J. H. Thomas), in the very brave and very wise speech which he delivered on Sunday, said that he did not altogether trust this Parliament to carry out these pledges. I cannot imagine a graver indictment against any Government or Parliament than that. We have been given authority to deal with these matters, and the Government mean to do their best. I am confident that Parliament will support them. If we fail, history will condemn not merely the *personnel* but the egregious folly of such a failure. Bills will be introduced, and introduced soon, to deal with housing, with health, with the development of the transport of the country, with the revival of rural life, with land settlement for soldiers and others, and with reclamation and afforestation.

There is another very important statement made in the Speech from the Throne which I think ought to give assurance to those who are more diffident about the Government's intentions. That is the statement that we propose to submit to the House of Commons certain recommendations for the improvement of procedure. I have always thought that the procedure of the House was devised not to promote but to impede legislation. I am certain that our present methods of examining legislation, having six hundred men scrutinising every line, every word, every comma for weeks, in the presence of the Press, is a futile method of transacting business. Magna Charta would never have been carried if all the Barons had adopted the procedure of the House of Commons.

The Dread of Unemployment.

Coming to the question of unemployment, I do not believe that there is any fear of unemployment if we behave rationally and wisely, but if there is any attempt to reproduce the conditions which we have witnessed in Russia, where there is a deficiency of profitable employment, that would be indeed fatal to employment in this country. The heavy burdens of the War bear heavily upon all classes, and upon all businesses. Always remember that. If too many demands are not put forward by certain sections of the community, there is plenty of material for employment, provided that all classes act with restraint and wisely. As has been pointed out, there have been arrears in all parts of the world in supplies during the last four or five years in some of the essential ingredients of work throughout the various countries that constitute our markets. In railways, in textiles, in ships, in furniture, in buildings, there are great arrears. All these have got to be made up. There is no danger of unemployment if certain conditions are adhered to.

Disturbance Creates Unemployment.

What are those conditions? First of all, confidence must be given to those who are responsible for starting the wheels of industry and commerce. It is with difficulty that we can get a move on. There is a great hanging back, because men do not quite know what is going to happen. There are so many doubtful conditions. If men apprehend that an enterprise which they propose to start is going to be interrupted by some social upheaval, they will prefer not to start. They know perfectly well that if they begin and something happens, and they are caught halfway, they will be ruined. Confidence, therefore, is essential to setting the wheels of industry and commerce going. Disturbance creates unemployment, aggravates unemployment, perpetuates unemployment.

Increased Cost Means Unemployment.

What is the second cause of possible unemployment? If the cost of production in this country becomes so high that it reduces the purchasing capacity of the community as a whole, or puts us out of the markets of the world—and both will happen if the cost of production is too high—that means disastrous unemployment. That is why one individual trade cannot be considered without reference to the rest, and I should like all sections of the community to bear that in mind at the present moment. A great increase in the cost of some essential ingredients like coal or transport may easily destroy our chance of restarting our great export industry. We are a great exporting country. I believe that we exported before the War something like £1,000,000,000 worth of goods, and half of that was wages. Most of that trade was conducted on a narrow margin. A little change, this way or that way, would have given the trade to someone else. Four shillings a ton on coal, or shillings added for some other ingredients, whether it be shipping or other transport, may deprive us of hundreds of millions of trade in all

parts of the world. What does that mean to employment? It means throwing hundreds of thousands of men out of work. I am not sure that it might not run to millions. Would the miners gain by that in the end? No one can consider individual trades without reference to their bearing upon other trades. It is a great mistake to imagine that there is an inexhaustible reservoir of profit that you can dip into at any moment without burdening any trade.

Railway Profits Already Gone.

There is no better illustration than the railways. At the beginning of the War, the railways of this country were making a profit of fifty million pounds, which produced a dividend of under four per cent. That is not a very extravagant return for capital, a great deal of it invested by small people. What has happened since the War? Owing to increases in one thing or another, in wages, in curtailment of the hours of labour, and in increased cost of material, we have added ninety million pounds to the cost of running the railways. Where is the fund of profit there? It is all gone. Who is to make it up? The first-class passenger will not produce much if you double or treble his fare; every railway manager knows that. We have to get it from the consumer—from your third-class passenger, from your goods, from your food. Those are the only ways in which it can be got. All these demands are passed on to someone else, and there is a stage where, if you pass them on, they crowd on top of some poor industry that can barely march now, and it is crushed. That means unemployment for somebody.

Even Shorter Hours May Mean Unemployment.

There is a theory that one way of providing employment is by reducing the hours of labour, so that there will be enough work to go round at the same wages. Reduce the hours of labour to what is legitimate and what is fair and possible. But if you reduce them merely in order to create employment for exactly the same wage, that is the one way to make unemployment. It increases the cost of a particular commodity which a trade is producing, and that commodity is an ingredient in something else; if you put up the price, you diminish the purchasing capacity, and, if you diminish the purchasing capacity, you diminish employment. Not only that, but you destroy the overseas trade upon which this country depends more than any country in the world. I would despair if the working classes did not realise that elementary fundamental principle. But I am sure they do. You may by that process gain something which looks like a big wage, but in the end you increase the cost of everything.

See what happened in Russia. The workers there seemed to be getting sumptuous wages. They ran up to the most splendid figures, but when they went into a shop with these wages,

what could they buy for them? Go there with a £5 note and you will buy as much as you could buy here very often for 1s. 6d. Puffed-up wages which look good on paper—and they are paper—may suggest that the working classes at last are coming into their own, but they are being cheated by that system at every step, and they are beginning to discover it.

How the Government Will Encourage Employment.

There are legitimate means by which the Government can assist employment. The Ministry of Supplies has already taken the most gigantic steps to prepare for the housing programme. It has ordered material on a very considerable scale which will provide employment—bricks, windows, doors, and all the material essential for the building of houses. That is one method. There is the development of the ways of communication which will open up the resources of the country. That will provide legitimate employment while it enriches the country at the same time. There are projects like afforestation and settlement on the land which provide the healthiest means of employment in the greatest industry in the land.

Men Who Seek to Destroy Trade Unionism.

Then as to the causes of this unrest—I am bound to be frank with the House. There is the sedulous attempt which has been made for years to undermine confidence in trade union leaders. Why? It has produced indiscipline often beyond the control of the trade union; it has almost made collective bargaining impossible. I cannot conceive anything more fatal to the industrial life of this country. A trade union leader acquires, in the course of years, knowledge and experience; more than one side and more than one aspect is forced upon his vision, and he gets to know things which otherwise would never have been brought to his notice. Knowledge and experience give responsibility, but the moment they exercise that responsibility they are attacked. Their influence is undermined; suspicion creeps over them, and the result is distrust where there ought to be confidence, and it is almost impossible to do business in some trades. I have had some experience of it. Why is this done? It is done undoubtedly by some for the very reason that anarchy is the only thing that can follow, and that is what they are after. Anarchy is the purpose of some of those men, who seek to destroy, not merely trade unionism, but the State.

There are certain trades on the continuous working of which success in the War was dependent. If they had suspended their activities for a month, it would have seriously impaired our chance of success. The leaders of those trades knew that, and behaved with a patriotic restraint which does them honour. Now that the War is over, the sense of power remains in those trades, but the peril which produced that restraint is over. There are men in those trades at present who are urging their leaders to

use that power to hold up business. I have one or two words to say about that on behalf of the Government. Every demand put forward by any body of workmen the Government are bound to examine, and will examine it fairly and carefully, with a view to redressing any unfairness or inequalities. But as to any demand which is pressed forward with a view, not to obtaining fair conditions, but with ulterior motives—to overthrow the existing order and to destroy government, relying not upon the justice of the claim, but upon the brute force behind it—may I say as to that, on behalf of the Government, in all solemnity, we are determined to fight Prussianism in the industrial world exactly as we fought it on the Continent of Europe, with the whole might of the nation. Whether it be employers or employed, when anybody uses force to drive an unfair bargain with the community, we are bound to fight that with the whole might of the nation, or we cease to be a Government.

The Peace Settlement Must Come First.

The first thing that we have to do is to get Peace. These disturbances are interfering with the making of Peace. Every morning before I went to the Peace Conference I had messages from London about a strike, and when I returned in the evening about another strike—trade union leaders thrown over and bargains repudiated—and, I do not mind saying it, I think that it would have been to the advantage of the Peace Conference if I had been able to remain there for a few days longer. These disturbances are promoting the very evils which they are supposed to get rid of—they are making Peace difficult. I appeal to men of all sections to consider seriously the effect of demands that are made upon the community merely upon the strength of force behind them. I know the perils, I know the dangers, and I have carefully reckoned the cost, and I say deliberately that, if the people of this country are prepared to face both the peril and the cost with the courage, the endurance, and the patience which they have exhibited in the face of an equally great enemy, and if all classes are prepared to make the necessary sacrifices for the security and freedom of industry on which the future of this land and the happiness of its people really depend, then no section of the community, however powerful, can, or will be allowed to, hold up the whole nation. Claims we will examine, and we will devote the whole of our strength to setting right and redressing all legitimate grievances. But I appeal to the common sense of all sections of the community so that the victory won so largely by the heroism and the tenacity of this great nation in five years of sacrifice shall not be wantonly dissipated in a few weeks of frenzied strife.

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